STRATEGIC PLAN 2018
DELIVERING AND CREATING VALUE FOR PATIENTS

Kenji Yasukawa, Ph.D.
President and CEO
Astellas Pharma Inc.
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

In this material, statements made with respect to current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Astellas Pharma. These statements are based on management’s current assumptions and beliefs in light of the information currently available to it and involve known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to: (i) changes in general economic conditions and in laws and regulations, relating to pharmaceutical markets, (ii) currency exchange rate fluctuations, (iii) delays in new product launches, (iv) the inability of Astellas to market existing and new products effectively, (v) the inability of Astellas to continue to effectively research and develop products accepted by customers in highly competitive markets, and (vi) infringements of Astellas’ intellectual property rights by third parties.

Information about pharmaceutical products (including products currently in development) which is included in this material is not intended to constitute an advertisement or medical advice.
Vision

On the Forefront of Healthcare Change to Turn Innovative Science into VALUE for Patients

We will achieve sustainable growth by pursuing innovative science to produce medical solutions that provide VALUE to patients
Value must meet all stakeholders’ needs while being true to Astellas

DEFINITION OF VALUE

Common Definition of VALUE* = Outcomes that matter to patients

Cost to the healthcare system of delivering those outcomes

Payer  Caregiver  Patients  Healthcare provider

*Source: BCG "Value in Healthcare" seminar
THREE STRATEGIC GOALS FOR SUSTAINABLE GROWTH

<table>
<thead>
<tr>
<th>Strategic Goal</th>
<th>Rx</th>
<th>Continue and Improve</th>
<th>Rx+</th>
<th>Establish</th>
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<tbody>
<tr>
<td>1</td>
<td></td>
<td><strong>Maximizing Product</strong></td>
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<td>* VALUE and Operational Excellence*</td>
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<td></td>
<td><strong>Evolving How We Create VALUE</strong></td>
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<td>- With Focus Area Approach -</td>
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<td>3</td>
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<td><strong>Developing Rx+ programs</strong></td>
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</table>

*Key products and late-stage pipeline*
Maximizing Product VALUE and Operational Excellence
MAXIMIZING THE VALUE OF XTANDI

XTANDI Global Sales
FY2017-FY2020 CAGR (%): High single-digit

Earlier lines have more patients

Opportunities in the earlier stage

- Expand approved indications to earlier stages of prostate cancer
- Shift commercial resources to increase urologist penetration
- Position “XTANDI-first” in the approved indications using 5 years’ clinical evidence

For illustrative purposes of patient size

*Indication in Japan: Castration-resistant prostate cancer

M0 BCR : Non-metastatic prostate cancer, biochemical recurrence
M0 CRPC : Non-metastatic CRPC
M1 HSPC : Metastatic hormone-sensitive prostate cancer
mCRPC : Metastatic castration-resistant prostate cancer
Educate on mirabegron clinical profile with balance of efficacy and safety

Expand share in approved markets

- Grow mirabegron sales in newly launched countries such as Germany
- In the US, expand into combination with VESIcare
- Use post-marketing studies to obtain additional data in important sub-populations (e.g., elderly, male)

For illustrative purposes only

OAB: Overactive bladder
**FILING OPPORTUNITIES: KEY POST-POC PIPELINE**

**THERAPEUTIC AREA:**
- Oncology
- Urology, Nephrology
- Others

**FY2018**
- **enzalutamide**
  - M0 CRPC
- **gilteritinib**
  - R/R AML
- **roxadustat**
  - Anemia associated with CKD
    - Dialysis (JP)

**FY2019-2020**
- **enzalutamide**
  - M1 HSPC
- **enfortumab vedotin**
  - Metastatic urothelial cancer
- **roxadustat**
  - Anemia associated with CKD
    - Non-dialysis (JP)
- **gilteritinib**
  - AML (Post-HSCT maintenance)
- **gilteritinib**
  - AML (Post-chemo maintenance)
- **gilteritinib**
  - AML (1st line low intensity induction chemo)
- **gilteritinib**
  - AML (1st line high intensity induction chemo)
- **roxadustat**
  - Anemia associated with CKD
    - Dialysis/Non-dialysis (EU)
- **fezolinetant**
  - MR-VMS

**FY2021 or beyond**
- **enzalutamide**
  - M0 BCR
- **zolbetuximab (IMAB362)**
  - Gastric and gastroesophageal junction adenocarcinoma
- **gilteritinib**
  - AML (Post-HSCT maintenance)
- **gilteritinib**
  - AML (Post-chemo maintenance)
- **gilteritinib**
  - AML (1st line low intensity induction chemo)
- **gilteritinib**
  - AML (1st line high intensity induction chemo)
- **fezolinetant**
  - MR-VMS

*Subject to internal assessment, decision and regulatory consultation, as appropriate.

**Filing timing in the first country/region within US/EU/JP. If the project is regional specific (i.e. development right only in JP/Asia), the region is specified in the column.

R/R: Relapsed or refractory, AML: Acute myeloid leukemia, CKD: Chronic kidney disease, HSCT: hematopoietic stem cell transplantation, MR-VMS: menopause related vasomotor symptoms
POTENTIAL SIZE OF KEY POST-POC PIPELINE

If all succeed, we expect the potential annual sales of following products to reach approximately 1 trillion in next 10 years.

<table>
<thead>
<tr>
<th>Potential size (at peak, billion yen)</th>
<th>Key Post-POC pipeline*¹</th>
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<tbody>
<tr>
<td>400 – 500</td>
<td>• XTANDI (enzalutamide) including early-stage of Prostate Cancer (M0 CRPC, M0 BCR, M1 HSPC)</td>
</tr>
<tr>
<td>200 – 300</td>
<td>• fezolinetant</td>
</tr>
<tr>
<td>100 – 200</td>
<td>• zolbetuximab (IMAB362)</td>
</tr>
<tr>
<td>50 – 100</td>
<td>• enfortumab vedotin</td>
</tr>
<tr>
<td></td>
<td>• gilteritinib</td>
</tr>
</tbody>
</table>

*¹: Only indications listed in the current pipeline list (as of Apr 26, 2018) are included for projection.
*For roxadustat, the projection of potential size is under discussion with the partner company.
*Programs listed in alphabetical order within the same range.
NEW PRODUCTS IN JAPANESE MARKET

Reinforce our presence in Japanese market by steadily launching and maximizing value of new products

<table>
<thead>
<tr>
<th>New products*</th>
<th>Approved</th>
<th>Filed or Filing expected in FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>peficitinib (Rheumatoid arthritis)</td>
<td></td>
<td></td>
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<tr>
<td>blinatumomab (Acute lymphoblastic leukemia)</td>
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<td></td>
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<tr>
<td>romosozumab (Osteoporosis)</td>
<td></td>
<td></td>
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<tr>
<td>ipragliflozin (Type 1 diabetes)</td>
<td></td>
<td></td>
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<tr>
<td>linaclotide (Chronic constipation)</td>
<td></td>
<td></td>
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<tr>
<td>fidaxomicin (Infectious enteritis)</td>
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<tr>
<td>SUJANU Combination Tablets (Type 2 diabetes)</td>
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</tbody>
</table>

*Products launched within 3 years or products scheduled for additional indication and fix dose in FY2018 and beyond

Exceed 100 billion yen in early 2020’s
Anticipating more than 30 billion yen improvement in core operating profit in FY2020 generated from new initiatives*

Continue to review all activities from zero-basis from various aspects

- **Capability**
  Focus on Differentiating Capabilities and Competitive Necessities

- **Technological excellence**
  Utilize cutting edge technology such as process automation, AI

- **Operating model evolution**
  Review operational process and organization

- **Priority/Competitiveness**
  Resource allocation to functions and activities for competitiveness

*Not including initiatives announced as of May 22, 2018*
Evolving How We Create VALUE
- With Focus Area Approach -
R&D STRATEGY: FOCUS AREA APPROACH

Focus Area approach (Research to pre-POC)

- Approach appropriate targets of disease based on well-characterized pathophysiology (Elucidation of Biology)

- Acquire innovative technology and establish a versatile platform to provide optimal treatment approach that can control target biology (Utilization of Modality/Technology)

- A unique combination of Biology and Modality/Technology based on emerging science can be translated into an innovative solution for patients with high unmet needs through continuous efforts to ensure development progress and market access (Fulfilling patient needs)

UMN: unmet medical needs
R&D STRATEGY: FOCUS AREA APPROACH

Biology
- Cancer Immunology
- ASIM
- Regeneration
- Mitochondria

Modality/Technology
- Antibody
- New generation vaccine
- Cell therapy
- Small molecule
- Gene therapy

Disease
- Oncology
- Immunology
- Ophthalmology
- Muscle disease

Examples (clinical)
- ASP8374/PTZ-201 (Cancer)
- ASP4070 (JP red cedar pollen allergy), ASP0892 (Peanut allergy)
- ASP7317 (Dry AMD)
- MA-0211 (Duchenne muscular dystrophy)

ASIM: antigen-specific immuno-modulation, AMD: age-related muscular degeneration
**FOCUS AREA APPROACH**

*To ophthalmologic disorders which become blind, we are aiming to develop treatments which can maintain or recover visual function by regenerating and maintaining the cause cells.*

<table>
<thead>
<tr>
<th>Visual symptom</th>
<th>Disease</th>
<th>Region</th>
<th>Target cell type</th>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal vision</td>
<td>Glaucoma</td>
<td>Retina</td>
<td>Corneal endothelial cell</td>
<td>Corneal endothelial cell therapy (PC) AIRM</td>
</tr>
<tr>
<td></td>
<td>Retinitis pigmentosa</td>
<td>Cornea</td>
<td>Retinal ganglion</td>
<td>Retinal ganglion progenitor cell therapy (PC) AIRM</td>
</tr>
<tr>
<td></td>
<td>Dry-AMD Stargardt's macular degeneration</td>
<td></td>
<td>Retinal ganglion cells</td>
<td>Gene therapy (PC) Clino</td>
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<tr>
<td></td>
<td>Diabetic macular edema</td>
<td></td>
<td>Cone</td>
<td>Gene therapy (PC) Harvard Medical School</td>
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<td></td>
<td></td>
<td></td>
<td>Cone Rod</td>
<td>Photoreceptor progenitor cell therapy (PC) AIRM</td>
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<td></td>
<td></td>
<td></td>
<td>RPE cell</td>
<td>RPE cell therapy (PII) AIRM</td>
</tr>
</tbody>
</table>

AIRM: Astellas Institute for Regenerative Medicine
**FOCUS AREA APPROACH**

Applying Universal Donor Cell technology which overcomes immune rejection to the AIRM’s technology for cell differentiation expands the opportunity to various indications.

### Focus Area approach

- **Cell therapy**  
  - Expansion
  - Immuno-related diseases, other diseases
- **Ophthalmology**  
  - Regeneration

### Universal Donor Cell technology

- Technology to create cell therapies that overcome immune rejection
- Universal Donor Cell technology can be administered to any recipient without the need for Human Leukocyte Antigen (HLA) matching
- Expands research potential to wide range of differentiated cells

### Mechanism of immune rejection

- Allogeneic cells are rejected by the recipient's immune system
- HLA molecules play a major role
Create novel NMEs which brings benefit to the patients with various muscle diseases by the multiple approaches possibly improve the muscle functions.
**FOCUS AREA APPROACH**

reldesemtiv potentially improves muscle function in various diseases with muscle impairment/weakness by a novel approach to skeletal muscles

**Skeletal muscle biology-driven approach**

**reldesemtiv (CK-2127107)**

- First-in-class, next-generation, fast skeletal muscle troponin activator which regulates molecular motors
- Based on MoA, reldesemtiv could potentially improve muscle function and physical performance

**Focus Area approach**

Programs in clinical stage:

**Neuromuscular diseases** *Cytokineti**cs-sponsored studies

- **SMA**: Phase 2 study on-going
- **ALS**: Phase 2 study on-going

**Non-neuromuscular diseases** *Astellas-sponsored studies

- **COPD**: Phase 2 study on-going
- **P1b** (proof of mechanism) study in elderly subjects with limited mobility is also on-going
FOCUS AREA APPROACH

Characterize mitochondria biology involved in muscle function and approach to the various diseases relating to mitochondria biology

Mitochondria biology

Distinct aspects of mitochondrial function (i.e. bioenergetics, dynamics, and cellular signaling) are well described and impairments in these activities likely contribute to disease pathogenesis.

Focus Area approach

Muscle disease

Expansion

Mitochondria

Expansion

Molecular motor

Small molecule

Kidney disease, others

Programs in clinical stage

- MA-0211 (P1): Duchenne muscular dystrophy
- MA-0217 (P1): Acute kidney injury

*Multiple programs are in non-clinical stage
FOCUS AREA APPROACH IN IMMUNOLOGY

Develop an innovative platform which can achieve antigen-specific immune modulation, and create curative therapeutics against allergy, autoimmune diseases and infectious diseases.

- **Rice-Based oral vaccine**
  - Induce systemic and mucosal immunity
  - Stable at room temperature

- **LAMP-vax DNA vaccine**
  - Next-gen DNA vaccine
  - Safe and short course of therapy

- **Auto-antibody selective regulation**
  - Development of new platform

- **Next generation vaccine**
  - Prophylaxis of Infectious disease effective in wide range
  - New generation technology

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ETEC: Enterotoxigenic *E. coli*, LAMP: Lysosomal Associated Membrane Protein
We focus on LAMP-vax technology as modality/technology of antigen-specific immuno-therapy which regulates immune reactions. With this emerging technology, we are aiming to develop drug to cure allergic diseases.

**LAMP-vax DNA vaccine platform**

**Revolutionary Technology**
- LAMP-vax induce a Th1 immune response, which suppress the Th2 allergic response
- Decrease the risk of anaphylaxis
- Applicable to a wide variety of allergic diseases

**Focus Area approach**

**Allergic diseases**
- ASP4070 (Phase 2): Japanese red cedar pollen allergy
- Other: ragweed, birch, etc.

**Food allergy**
- ASP0892 (Phase 1): Peanuts allergy
- Other: shellfish, etc.

**Perennial allergy**
- House dust mite, pet, etc.

*ASIM: antigen-specific immuno-modulation
FOCUS AREA APPROACH IN IMMUNO-ONCOLOGY

Develop pipeline of novel immuno-oncology therapeutics to address tumor types which are inadequate response to PD-1/PD-L1 blockers

- TIL activation
  - Novel checkpoint inhibitors,

- Evoking anti-tumor immunity
  - Immuno-oncolytic virus

- Simultaneous activation of innate immunity and acquired immunity

- Reduction of immunosuppressive environment
  - Blocking immunosuppressive cells / mediators

- Immunomodulation by cell therapy
  - Immunostimulating vaccine cell

FOCUS AREA APPROACH

Develop pipeline of novel checkpoint inhibitor, co-stimulatory agonist and modulator of immunosuppressive cells etc. for tumor cell types inadequate response to PD-1/L1 blockers

Mechanism of Immunomodulation

Focus Area approach

ASP8374/PTZ-201
- anti-TIGIT antibody
- Phase 1 study in various solid tumors is on-going

T\textsubscript{reg} modulator
- Stage up to Phase 1 soon

Co-stimulatory agonist
- Non-clinical stage
Developing Rx+ programs
Rx+: HEALTHCARE SOLUTIONS BEYOND Rx BUSINESS

Combine our expertise and experiences with technology and knowledge from different fields to create new revenue streams separate from our core Rx products.

- **Medical solution** providing new value of patients on the patient journey
- **New treatment solution** replacing conventional therapy or adding new value
Examples

**New diagnostic solution for cancer patients**
by combining Astellas technology (e.g. antibody) with medical technologies (e.g. optical, radioisotope or nanomaterial)

**Digital device** including electrical stimulation technology and medical software
Financial guidance and Capital allocation
FINANCIAL GUIDANCE IN FY2020

Aiming for mid- to long-term Core OP growth trend after the bottom in FY2019

<table>
<thead>
<tr>
<th>Indicators</th>
<th>FY2020 Guidance</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>FY2017 level</td>
</tr>
<tr>
<td>R&amp;D investment</td>
<td>More than 200 billion yen</td>
</tr>
<tr>
<td>Core OP</td>
<td>Core Operating Profit margin 20%</td>
</tr>
<tr>
<td>Core EPS</td>
<td>Exceed FY2017</td>
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</tbody>
</table>

Key Post-POC pipeline: enfortumab vedotin, enzalutamide (label expansion), fezolinetant, gilteritinib, zolbetuximab (IMAB362), roxadustat

Transform cost structure

For illustrative purposes only
Top priority is investment for business growth
Dividends to be increased continuously based on mid-and long-term growth
Share buybacks to be implemented in a flexible manner
Realize sustainable growth by executing our new strategic plan

**Maximizing Product* VALUE and Operational Excellence**
Allocate resources to prioritized products and late-stage pipeline for greatest efficiency and effectiveness

**Evolving How We Create VALUE - With Focus Area Approach -**
Create long-term VALUE with combination of Best Science, Resources and Capabilities

**Developing Rx+ programs**
Leverage our expertise and experiences in Rx to build new healthcare solutions businesses in Rx+

*Key products and late-stage pipeline*